

HOUSE BILL NO. 814

INTRODUCED BY R. HAMILTON

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4 A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING A ONE-TIME PERMANENT AD HOC PURCHASING
5 POWER BENEFIT ADJUSTMENT TO CERTAIN RETIRED MEMBERS OF THE MUNICIPAL POLICE
6 OFFICERS' RETIREMENT SYSTEM; INCREASING THE GUARANTEED ANNUAL BENEFIT ADJUSTMENT
7 FOR WHICH CERTAIN MEMBERS OF THE MUNICIPAL POLICE OFFICERS' RETIREMENT SYSTEM ARE
8 ELIGIBLE; PROVIDING AN APPROPRIATION; AMENDING SECTIONS 19-9-1009, 19-9-1010, AND 19-9-1013,
9 MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

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11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

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13 **NEW SECTION.** **Section 1. One-time permanent ad hoc purchasing power adjustment.** Beginning
14 with the first benefit payment after [the effective date of this act], the board shall provide a one-time permanent
15 ad hoc purchasing power benefit increase of \$500 a month to each member who retired on or before January
16 1, 1991, and to the beneficiaries of a member who retired before January 1, 1991, if the member is or the
17 member's beneficiaries are receiving a monthly retirement benefit on [the effective date of this act]. The board
18 may not make a benefit payment retroactively as a result of the ad hoc benefit increase provided for in this section
19 for benefits paid prior to [the effective date of this act].

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21 **Section 2.** Section 19-9-1009, MCA, is amended to read:
22 **"19-9-1009. Guaranteed annual benefit adjustment.** (1) Subject to subsection (2), on January 1 of
23 each year, the permanent monthly benefit payable during the preceding January to each recipient who is eligible
24 under subsection (3) must be increased by ~~3%~~ 5%.

25 (2) (a) If a recipient's benefit payable during the preceding January has been increased by one or more
26 adjustments not provided for in this section and the adjustments amount to less than a ~~3%~~ 5% annualized
27 increase, then the recipient's benefit must be adjusted by an amount that will provide a total annualized increase
28 of ~~3%~~ 5% in the benefit paid since the preceding January.

29 (b) If a recipient's benefit payable during the preceding January has been increased by one or more
30 adjustments not provided for in this section and the increases amount to more than a ~~3%~~ 5% annualized increase,

1 then the benefit increase provided under this section must be 0%.

2 (3) Except as provided in subsection (2)(b), a benefit recipient is eligible for and must receive the
3 minimum annual benefit adjustment provided for in this section if:

4 (a) the benefit's commencement date is at least 12 months prior to January 1 of the year in which the
5 adjustment is to be made; and

6 (b) the member either:

7 (i) first became an active member on or after July 1, 1997; or

8 (ii) filed a voluntary, irrevocable election to be covered under this section. The election must be filed with
9 the board prior to January 1, 1998, and requires an active member to pay an increased contribution rate from July
10 1, 1997, forward. A retired member or the member's survivor who is receiving a monthly benefit before July 1,
11 1997, shall also file the voluntary, irrevocable election no later than January 1, 1998, to be covered under this
12 section.

13 (4) The board shall adopt rules to administer the provisions of this section."
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15 **Section 3.** Section 19-9-1010, MCA, is amended to read:

16 **"19-9-1010. Original election -- guaranteed annual benefit adjustment.** (1) Subject to subsection (2),
17 on January 1 of each year, the permanent monthly benefit payable during the preceding January to each recipient
18 who is eligible under subsection (3) must be increased by ~~3%~~ 5%.

19 (2) (a) If a recipient's benefit payable during the preceding January has been increased by one or more
20 adjustments not provided for in this section and the adjustments amount to less than a ~~3%~~ 5% annualized
21 increase, then the recipient's benefit must be adjusted by an amount that will provide a total annualized increase
22 of ~~3%~~ 5% in the benefit paid since the preceding January.

23 (b) If a recipient's benefit payable during the preceding January has been increased by one or more
24 adjustments not provided for in this section and the increases amount to more than a ~~3%~~ 5% annualized increase,
25 then the benefit increase provided under this section must be 0%.

26 (3) A benefit recipient is eligible for and must receive the minimum annual benefit adjustment provided
27 for in this section if:

28 (a) the benefit's commencement date is at least 12 months prior to January 1 of the year in which the
29 adjustment is to be made; and

30 (b) the member either:

- 1 (i) first became an active member on or after July 1, 1997; or
2 (ii) filed a voluntary, irrevocable election to be covered under this section. The election:
3 (A) must be filed with the board prior to December 1, 1999; and
4 (B) requires an active member to pay an increased or revised contribution rate from January 1, 2000,
5 forward.
6 (4) The board shall adopt rules to administer the provisions of this section.
7 (5) The decision of a member who elected to participate under 19-9-1009 remains valid. The decision
8 of a member who elected not to participate under 19-9-1009 may be reversed under this section."
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10 **Section 4.** Section 19-9-1013, MCA, is amended to read:

11 **"19-9-1013. Extended election -- guaranteed annual benefit adjustment.** (1) Subject to subsection
12 (2), on January 1 of each year, the permanent monthly benefit payable during the preceding January to each
13 recipient who is eligible under subsection (3) must be increased by ~~3%~~ 5%.

14 (2) (a) If a recipient's benefit payable during the preceding January has been increased by one or more
15 adjustments not provided for in this section and the adjustments amount to less than a ~~3%~~ 5% annualized
16 increase, then the recipient's benefit must be adjusted by an amount that will provide a total annualized increase
17 of ~~3%~~ 5% in the benefit paid since the preceding January.

18 (b) If a recipient's benefit payable during the preceding January has been increased by one or more
19 adjustments not provided for in this section and the increases amount to more than a ~~3%~~ 5% annualized increase,
20 then the benefit increase provided under this section must be 0%.

21 (3) A benefit recipient is eligible for and must receive the minimum annual benefit adjustment provided
22 for in this section if:

23 (a) the benefit's commencement date is at least 12 months prior to January 1 of the year in which the
24 adjustment is to be made; and

25 (b) the member either:

26 (i) first became an active member on or after July 1, 1997; or

27 (ii) filed a voluntary, irrevocable election to be covered under this section. The election:

28 (A) must be filed with the board prior to December 1, 2001; and

29 (B) requires an active member to pay an increased or revised contribution rate from January 1, 2002,
30 forward.

1 (4) The board shall adopt rules to administer the provisions of this section.

2 (5) The decision of a member who elected to participate under 19-9-1009 or 19-9-1010 remains valid.
3 The decision of a member who elected not to participate under 19-9-1009 and 19-9-1010 may be reversed under
4 this section."

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6 **NEW SECTION. Section 5. Appropriation.** There is appropriated for the 2009 biennium \$1 million from
7 the general fund to the Montana public employees' retirement board for deposit into the municipal police officers'
8 retirement system to pay for the increase in benefits provided for in [sections 1 and 2].

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10 **NEW SECTION. Section 6. Codification instruction.** [Section 1] is intended to be codified as an
11 integral part of Title 19, chapter 9, part 10, and the provisions of Title 19, chapter 9, part 10, apply to [section 1].

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13 **NEW SECTION. Section 7. Effective date.** [This act] is effective on passage and approval.

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